

**EXHIBIT 3**

**KAISER ALUMINUM & CHEMICAL CORPORATION**  
**NORTHWEST REGIONAL HEADQUARTERS**

334 EAST TRENT AVENUE, SUITE 300 • SPOKANE, WA 99202  
 PHONE: (509) 242-1067 • FAX (509) 242-1068

**FACSIMILE TRANSMITTAL SHEET**

TO: <u>Wayne Nelson</u>	FROM: <u>Joe Heerner</u>
FAX NUMBER: <u>(360) 992 3204</u>	DATE: <u>Feb. 2, 2001</u>
COMPANY: <u>Clark County PUD</u>	TOTAL NO. OF PAGES INCLUDING COVER: <u>5</u>
PHONE NUMBER:	PHONE NUMBER: (509) 242-1074
RE:	

☐ URGENT

☐ FOR REVIEW

☐ PLEASE COMMENT

☐ PLEASE REPLY

WAYNE- LETTER STRENGTH OUR CONVERSATION  
 TODAY. IF YOU HAVE ANY QUESTIONS  
 FEEL FREE TO CALL ME THIS WEEKEND  
 CELL # (509) 945-1487 OR THROUGH DANA.

THANKS,  
 Joe

CC: DANA ZEUTE  
 252-5013

**\*\*\*IMPORTANT\*\*\***

The information contained in this facsimile message is privileged and confidential information intended only for the use of the individual named above. If the reader of this message is not the intended recipient, or the addressee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this message in error, please destroy it and notify us immediately by telephone. Thank you.

**KAISER ALUMINUM**  
NORTHWEST REGIONAL HEADQUARTERS

February 2, 2001

VIA FAX

Mr. Wayne Nelson  
General Manager  
Clark County PUD  
(360) 982-3204

Re: Kaiser's Remarketing Agreement

Dear Mr. Nelson:

This letter will confirm our conversations on February 2, 2001 with you and Mr. Dana Zentz of EES Consulting regarding Kaiser's right to remarket energy under its 1996 Power Sales Contract with BPA. Under the contract, Kaiser may request remarketing by submitting a notice to BPA stating the Qualifying Purchaser (which would be Clark County PUD (PUD) in this instance), the start and end date of the sale, the price, the delivery point, and any other terms. BPA may either implement the sale to the PUD or, at its option, may choose to purchase the energy for its own use at the same terms and conditions. If the sale is for one month or less, BPA has 24 hours after Kaiser's notice to decide if it wants to purchase the energy; if the sale is for more than one month but no greater than 6 months, then BPA has 2 days to decide.

If the sale to the PUD is implemented by BPA, then BPA will contract with the PUD for the sale of the energy at the price, terms and conditions stated in

1

534 EAST IDENY, SUITE 300, SPOKANE, WA 99202 (509) 342-1050

Kaiser's notice and other standard terms that BPA may request. The energy purchased by the PUD will be federal energy and the PUD's payment will be made to BPA. The energy will be delivered under Kaiser's PTP agreement with BPA. The POI will be the "BPA's System POI" and the point of delivery will be moved from Kaiser's facilities on a non-firm basis to the point of delivery named in Kaiser's notice and the PUD's contract with BPA. BPA will pay Kaiser for the remarketed energy under the terms of Kaiser's 1998 Power Sales Contract and a separate Confirmation Agreement with BPA consistent with the terms of Kaiser's notice. Therefore, pursuant to our discussions, the PUD and Kaiser (Parties) have agreed to the following:

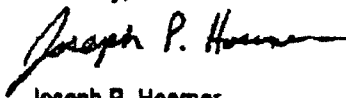
Kaiser will submit a request to BPA on Friday, February 2, 2001 at approximately 4:30 p.m. PST to remarket 140 Mw of energy for the months of August 2001 and September 2001. BPA will have 48 hours to respond to this request and notify Kaiser if i) they will purchase the energy under the terms agreed to between the Parties or ii) facilitate the sale to the PUD.

With regard to the remarketing request, the PUD has requested that Kaiser's offer remain open until 12:00 noon on Tuesday, February 6, 2001, to allow the Board to approve the necessary financing arrangements for payment. This is acceptable, provided that Kaiser has the right to withdraw the offer at any time before the PUD executes a Confirmation Agreement with BPA.

Provided Kaiser can secure short-term firm transmission utilizing its PTP transmission agreement with BPA, BPA will deliver the energy to the ALCOA substation or other points as mutually agreed to by the Parties.

The Parties agree that the PUD shall pay to BPA on March 15, 2001 the amount of \$83,934,878.00 as shown in the attached monetization table or if a different payment date is mutually agreed to by the Parties then the payment amount shall be adjusted consistent with the attached table.

Sincerely,



Joseph P. Hoerner

Energy Supply Manager

Please indicate your acceptance of the terms of this agreement by signing below and returning a copy to me. Fax: (509) 242-1098

---

---

Date

cc: Mr. Dana Zentz, EES Consulting

**Clark Public Utility Power Remarketing Memorization**  
**February 2, 2001**

Month	Days	MW	Volume	Purchase Price	Undiscounted Cash Flow
Aug	31	140	104,160	\$325.00	\$ 33,852,000
Sep	30	140	100,800	\$325.00	\$ 32,760,000
Oct					\$ 66,612,000

Discount Calculation				3/1/01
Curve Date	Total Rate	Discount Factor	Discounted Cash Flow	
Sep-01	6.50%	0.9634	\$ 31,578,244	
Oct-01	6.50%	0.9572	\$ 31,356,634	
Nov-01			\$ 63,934,878	